

ECONOMIC DEVELOPMENT COMMITTEE

DATE: June 1, 2005

CALLED TO ORDER: 5:00 p.m.

ADJOURNED: 6:25 p.m.

ATTENDANCE

ATTENDING MEMBERS

Jackie Nytes, Chair
Patrice Abduallah
Virginia Cain
Lonnell Conley
Marilyn Pfisterer
Isaac Randolph, Jr
Joanne Sanders

ABSENT MEMBERS

AGENDA

PROPOSAL NO. 241, 2005 - approves the issuance of limited recourse notes of the Redevelopment District of the City of Indianapolis, Indiana for the purpose of paying the cost of redevelopment, including acquisition of certain property and the construction of certain infrastructure improvements, in the Fall Creek/Citizens Consolidated Redevelopment Area and approves other matters related thereto
"Do Pass"

Vote 7-0

Update on Current Economic Development Issues – Gordon Hendry, Director of Economic Development, Office of the Mayor

ECONOMIC DEVELOPMENT COMMITTEE

The Economic Development Committee of the City-County Council met on Wednesday, June 1, 2005. Chair Jackie Nytes called the meeting to order at 5:00 p.m. with the following members present: Patrice Abdullah, Virginia Cain, Marilyn Pfisterer, Isaac Randolph, Jr. and Joanne Sanders. Lonnell Conley arrived shortly thereafter. Bart Brown, Council CFO, was also present.

Chair Nytes introduced and welcomed NaTrina Moffett as the new clerk for the Economic Development Committee.

(Clerk's note: Councillor Conley entered the meeting at 5:02 p.m.)

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Chair Nytes introduced Jennifer Weflen from the Bond Bank and Director Maury Plambeck from the Department of Metropolitan Development (DMD).

Mr. Plambeck stated that he will explain why DMD is proposing the expansion of Fall Creek Place, and Jen Weflen will talk about the bond. Mr. Plambeck said that the project has been very successful and started with a \$4 million Housing and Urban Development (HUD) home ownership grant. He said that Fall Creek Place is one of the most successful home ownership grants in the country, with only about two or three being successful out of the thirteen. He distributed an article from the *Indianapolis Star* (Exhibit A) with information about the success of Fall Creek Place and the planned expansion.

Mr. Plambeck said because of that success, DMD wants to use the model in other parts of the city.

He said that they will never get \$4 million again because of the lack of federal funds, so DMD has been studying the abandoned housing issue and has been trying to tie that into the Fall Creek Place concept. He said that the Abandoned Housing Working Group had two reports; one reported that there are 8,000 abandoned units in the city and includes possible explanations of the reason. The second report offers ideas for solving the problem, by not attacking one particular problem in the neighborhood, but by providing holistic solutions to neighborhood redevelopment, which is what Fall Creek Place is all about in the long run.

Mr. Plambeck explained that Fall Creek Place was developed to make the neighborhoods strong by providing new housing units to both low to moderate income people. It also offers market rate homes, additional new commercial homes, and new infrastructure. He

said that there is a charter school in the neighborhood and one near the neighborhood, and these things are what makes Fall Creek Place strong, so DMD wants to tie that concept into other neighborhoods. He said that the Abandoned Housing Working Group's second report discusses what should and should not be looked at when choosing a neighborhood. He said that DMD would probably be making the necessary decisions, but needs to hire a new staff person to implement the plan and is in the process of interviewing someone to work with neighborhood groups, community development corporations, counselors and the business community concerning those neighborhoods.

DMD has had people ask if it wants to be involved in projects that are like the Fall Creek Place project. He said that DMD is helping with a project called Martindale on the Monon, which is not exactly like Fall Creek Place, but has many homeownership opportunities. He said DMD is providing some assistance in the form of home ownership down payment assistance, similar to what is being done with Fall Creek Place.

Mr. Plambeck stated that Fall Creek Place Phase IV was originally in the Fall Creek Place master plan, but the boundaries were minimized to three phases when the grant was submitted to HUD because of the uncertainty of success. He said that since it has been successful, this proposal is for two additional streets from the original boundaries of 22nd Street south to Fall Creek north. This proposal would include Broadway Street and College Avenue, which lack the same qualities as the first phases, such as many vacant lots. He said that houses have been burned and torn down on these two streets for many years, and even though the first three phases have happened, there still has not been much reinvestment on these two streets. He voiced concern about College Avenue being a major street and entrance in and out of the city.

Mr. Plambeck said that this project is proposed to have 125 new units - 91 being single family homes and 34 being town houses. He said that the concept of mixing residential types of housing is very important to DMD. He said that the city would help with the same type of funding as with Phases I, II, & III, Martindale on the Monon, and with Community Development Corporations that are doing the same thing on a smaller scale in their neighborhoods. This funding would be in the form of down payment assistance and easy home grants. He said that the bulk of the funding would come from Tax Increment Financing (TIF) and that Jen Weflen would talk more about that. He also stated that they would be adding new sidewalks where there are not already new ones, new street lights, and new infrastructure.

Mr. Plambeck said that a steering committee was formed that included residents of the neighborhood in question, residents of Fall Creek Place, City staff and Councillor Nytes. He said that two different neighborhood meetings have been held; one with the existing Fall Creek Place residents and the other one with the residents of the neighborhood in question. He said that the issues were outlined and that the plan is to only acquire vacant lots or vacant houses; therefore, there will be no relocation costs. He said that they believe this is a good proposal that will carry an award-winning project for the City and for the area.

Jennifer Weflen from the Bond Bank said that in order for the project to move forward, the City needs to provide funding for acquisition of sites and infrastructure work. Because the lots would be purchased by the City and resold, they cannot be financed through tax exempt financing. She said that there will be two types of financing to comply with the IRS rule; one is taxable and the other one tax exempt. She said that the plan would be to retire the taxable debt over a period of about five years with the proceeds from the lot sales. She explained that the City would purchase the lots with the proceeds of the financing, and when those lots are sold to a builder the lot sale proceeds would then be used to pay down the debt.

Ms. Weflen said that the cost of the infrastructure work is expected to be about \$4 million and can be financed through tax exempt financing. This would be longer term financing, paid back through proceeds of the Tax Increment Financing (TIF). She explained that the current TIF for the existing Fall Creek Place is performing as expected, so there will be a second TIF set up to prevent any confusion about what is paying for what. She said that the second TIF will operate exactly the same way as the current TIF, but will cover only the fourth phase of Fall Creek Place. She said that only the increment generated by the new part of Fall Creek Place will be used to repay the monies for infrastructure work.

Councillor Abdullah is concerned about the TIF. He asked if the TIF is used only to pay back the \$4 million used for infrastructure work and questioned where the rest of the money is that is needed for the project. Ms. Weflen said that the project is going to cost about \$6.5 million, with about \$4 million being used for infrastructure work that will be paid back with the TIF. She said that the balance is going to be used for site acquisition of individual lots, which are expected to pay for themselves. She said that when the lots are sold to a builder, the proceeds of that sale will go toward paying down the debt. She said there are two sources of repayment, the lot sale proceeds and the TIF. Councillor Abdullah asked if the repayment is expected to be completed in a period of five years. Ms. Weflen said that the lot sale proceeds are expected to be generated over the next five years and will be used to pay back the portion of the debt that was used to acquire sites. She said that the balance will then be paid back over a longer period of time. She said that they have not finalized the payback structure, but it is expected to be between 15 or 20 years.

Councillor Pfisterer said that her first question had been answered as to the time line. She said that she supports the Fall Creek project and is thrilled that it is as successful as it is. She said that she would like to request that the project move to the west side of Indianapolis. She said that she has noticed vacant and abandoned houses in some areas, and in one particular area she counted six in one block. She would like to request that this be looked at in the future because it is in need of some kind of support. She also asked what kind of impact, if any, TIF has on the City's credit rating. Ms. Weflen said that TIFs do not have a huge impact on the City's credit rating because they will be paid back with increments generated by revenue. She said that the Bond Bank expects this project to be a well-rated bond issue.

Councillor Cain said that she thinks it is a wonderful example of public-private partnership at its best, and she loves riding through those neighborhoods seeing the regeneration, the families, and the chance for people to own a home. She said that she thinks it is great, and she is excited. She said that she appreciates the focus on the inner part of the city and making sure that it stays vital. Chair Nytes agreed with Councillor Cain and said that she thinks many share the joy and are learning something from the project that can be replicated. Councillor Sanders asked if Ms. Weflen could give the definition of a "limited recourse note." Ms. Weflen said that a "limited recourse note" basically means that the only thing that will be promised to debt holders is that they will be repaid from this revenue and that repayment from any other revenue can not be expected.

Councillor Conley said that it makes him feel very proud to ride through what used to be "Dodge City" and is now known as "Smoothville", to a degree, and watch the neighborhood grow. He agreed with Councillor Pfisterer and said that if projects like this have been successful and have collectively shown how it can be done; why not look into other areas. Mr. Plambeck said that if he could have things his way, it would be done everywhere, but due to resources, DMD cannot do that. He said that DMD will look for any kind of projects. Councillor Conley asked if projects could be put together by using HUD as an example. The houses are filling up quickly, so that would be credibility for moving this project on the west side.

Chair Nytes asked if it is safe to say that the \$4 million seed loan is part of what will help us to move someplace else.

Mr. Plambeck answered in the affirmative, but said that he is not betting on that. He said that HUD is coming in either June or July, and maybe will like it so much that they will give the City more money. DMD wants to see what it can make work and would rather make it work without HUD and be able to expand to every side of town. He said that there are many neighborhoods in need, and he thinks that there is no reason why DMD cannot do more than one at a time. He said that DMD will wait until this project is done to work with Councillor Pfisterer or with other councillors.

Councillor Abdullah said that he is concerned with his district, specifically the Haughville area, which is his neighborhood. He is concerned with how the housing stock can be upgraded and if the houses will be raised by 200-300%. He also suggested complimenting those changes with new sidewalks and curbs that have been neglected over the years. He said he would like to see something very creative come out of that so that some of the monies can be shown coming back to those neighborhoods that have really been deprived. He said that he is really proud of the project and happy to see it grow and would like to see it grow in his district, like the others. He said that this runs through his district so he is very happy for it, but he would like to see it move a little further in each direction. Councillor Abdullah said that he was informed of a potential grant of \$16.4 million provided by HUD for money for abandoned housing, job creation and new services that may be coming to the inner city. He said that maybe that money

can be attracted for these purposes since they are looking for ideas of how to use the money.

Chair Nytes explained that this hearing is public and asked if there were any other questions from the councillors before opening the floor. Councillor Cain asked if the award that was won on the project could be explained to the rest of the committee. Mr. Plambeck said that they have won several awards: one was a Smart Growth award from the American Planning Association, and one is from the National League of Cities. He said that it is a leading project that seemed like it was all easy after it was completed, but was very difficult. Jennifer Green, Project Manager with DMD, said that the one Councillor Cain may be referring to is the one from the Urban Land Institute, where they competed with projects all over the world. She said that it is probably their most prestigious award, but if asked, she would say that their most precious award would be the one received from HUD stating that they were one of the Premier Homeownership Zones.

Chair Nytes asked if anyone from the public would like to speak to the question. Mr. Timothy Aden stepped up and distributed a handout (Exhibit B) to the committee. He said that he resides in and owns two other properties within the Fall Creek Place area referred to in the proposal. He read information and asked several questions from Exhibit B and commented that some of the questions in Exhibit B have already been answered.

[Clerk's note: A full printout of Mr. Aden's handout is on file in the Council office with the original minutes of this meeting.]

Some of Mr. Aden's questions were answered at the meeting, but some are not yet determined. The available answers are as follows:

- Question 1(a) asks if all of the \$6.5 million for approval will be utilized in Phase IV of Fall Creek Place and if not, how else will the money be spent?

Ms. Weflen said that all of the money will be spent on Phase IV.

- Question 1(b) asks if the project budget, improvement area map, construction schedule, and repayment schedule for the proposal are available to the public.

Ms. Weflen said that the repayment schedule will be available to the public, but they do not have a final structure, so there is not anything to give at this point, but she will provide that to Mr. Aden when the structure is finalized. Mr. Plambeck said that the construction schedule has the same answer; construction cannot start until properties are acquired. He said that they hope to start construction in 2006. Chair Nytes asked Mr. Plambeck if the Council's approval is needed to move forward with negotiations on the purchase of properties. Mr. Plambeck responded affirmatively. Bart Brown asked if DMD was also requesting the authorization of bonds. He said that the anticipated amount of years needed should given to the Council. Ms. Weflen said that they believe that it will not exceed 20 years.

- Question 1(c) asks if any of the \$6.5 million would be used to repay any remaining amounts for Phases I, II, or III.

Ms. Weflen answered in the negative.

- Question 2(a) asks what the projected incremental increase in assessed value would be for Phase IV, based on the direct impact of improvements.

Mr. Aden said that some of his questions are very detailed and that some of the answers may not be available now. Chair Nytes said that she is wondering if some of the questions are too detailed to be addressed this evening and that some of the things will not be known until the bonds are structured. Ms. Weflen said that she is reading a little ahead, but that some of the items mentioned in Exhibit B will not be known until the deal is finalized. For example, the annual principal and interest obligations are some things that cannot be determined until finalized. Chair Nytes said that she is assuming that it is being modeled from what increases in assessed value were seen in Phases I, II & III. Ms. Weflen said that answers can definitely be retrieved for Mr. Aden, but she does not have all the information in front of her at this point.

- Question 2(b) asks if there is a spin-off impact of the improvements within the boundaries of Phase IV and what the projected incremental increase would be for those improvements.

Ms. Weflen said that she thinks that Mr. Aden is asking if there are increases in assessed value due to the project for properties that were not acquired by the project or are near the project. She said that if the properties are within the project area, the incremental increase in assessed value is captured. But their projections are based solely on the increase of value attributable to the new houses that the project is working on. She said that if there are incremental increases in the value of other things, it is great because it makes the TIF work better, but it has not been captured in their projections. Mr. Aden asked if the TIF is only dependent upon what happens in Phase IV. Ms. Weflen answered affirmatively.

- Question 6(d) asks if the incremental increase in property taxes in Phase IV will be enough to pay the principal and interest of the \$6.5 million bond.

Ms. Weflen said that it is expected to be enough for the tax exempt portion and that the portion that is used to acquire the property will be paid back through the proceeds of lot sales.

- Question 6(f) asks if the incremental increases in property taxes have been enough to repay the bonds for Phases I, II, & III.

Ms. Weflen answered affirmatively. Jim Treat, with OW Prone, is the financial advisor for the bond issues for all phases of Fall Creek Place. Mr. Treat said that they are in the

process of completing detailed analysis of the current year's taxes being assessed for the existing Fall Creek area. So far, everything is on track or ahead of what was projected. He said that they are early on in the payment process and so far the payments have been made out of bond proceeds or capitalized interest, but that they do not see a problem with insufficient funds at this point. Mr. Aden reiterated that right now the principal and interest is being paid with bonds. Mr. Treat confirmed that Mr. Aden's statement is true to the extent that those payments are due. Chair Nytes said that she believes that it was intended to happen that way because of the lag time that it took to get the properties onto the assessment roles and into the tax paying system. Mr. Plambeck said that in addition to that, all Phase I properties have abatements that are still rolling up and a few properties of Phase II that received building permits before the deadline.

Mr. Aden asked if Phases I, II and III will pay for themselves in accordance with question 2(g) of Exhibit B about a lack of tax abatement in Phase IV. Ms. Weflen affirmed that the other phases of Fall Creek Place will pay for themselves. Chair Nytes said that she believes that the lack of tax abatement was a reflection of what was happening in the market as much as anything else. Mr. Plambeck said that the tax abatement was a program for many inner city neighborhoods that existed for a very short period of time and was coincidental that part of Fall Creek Place fell into that.

Mr. Aden read questions 3(a) – 3(d) of Exhibit B, which are in response to a letter received by residents of the proposed expansion of Fall Creek Place that states, "any property in Phase IV that does not have a new development on it will not be paying taxes toward that new infrastructure." Mr. Plambeck said that the letter is from him and was a result of questions raised at the Metropolitan Development Commission Hearing. The concern was if someone lives in the area now would taxes be raised if they live in the HOTIF area. He said that the answer is no, that the point of the HOTIF area is the change in taxes from "new development", which is a term that he used. He said that it is ultimately the tax assessor that decides what new development actually is. He said that if you build a new house on vacant land, it is new development. If you rehab a house that is vacant in order to live in it, it is going to increase the tax value, and that is probably new development. If you add a bathroom, he thinks the tax assessor increases your tax rate on that. But if you just maintain an existing house, he said that he does not think that it is new development. Any new things that happen in the neighborhood that increase taxes, the increase in the rate will be used to pay back the HOTIF or bond.

Chair Nytes said that since no one present is an appraiser, she thinks that it is probably getting into dangerous territory. She said that suppose there is some impact from the neighborhood factor that an assessor would consider. For example, the assessor may, over time, apply a different neighborhood factor if your neighborhood has increased in quality. Ms. Weflen said that the assessed value may go up, but that it could also be offset so the rate would actually go down. She said that it is very hard to predict how any one individual property would be impacted. The fact that it is a HOTIF is not what impacts the rate; it is the increase in the value and the investment in the area. This could happen anywhere that is being improved. Chair Nytes said that some of the property owners in Phases I, II & III may have had some conversations with the assessors related

to some of these issues, and it may be useful to talk to someone in the Center Township Assessor's Office about how they are seeing this play out over time. Mr. Aden said that the issue is a significant increase in tax for an existing property owner.

Chair Nytes said that there should not be any reason that this proposal would make a significant increase in tax, but there are other factors that may cause increases. The fact that the School Board just agreed to improve the IPS schools, and the community is starting to pay for the Library bond issue, and there will be a reduction in property tax replacement credit, is one of the reasons why individual property taxes may increase next year. She said that it is very important to look at all things that are involved in tax assessments.

- Question 4 asks a variety of questions regarding Minority Business Enterprises (MBE) and Women's Business Enterprises (WBE) participation in this project.

Ms. Green said that DMD participation of MBE/WBE firms for Phases I, II, & III was 22% - 23% on infrastructure. She said that they are continuing to use Mansur as their developer and construction manager, which has an MBE/WBE officer that makes sure participation is used. Both City and State goals have been exceeding in Phases I, II, & III and is assumed to have the same participation percentage for Phase IV. She said that because the homebuilders are their own entities and DMD does not have a contract with them on the home building piece, they do not regulate their participation amount but does encourage MBE/WBE participation. She said that the only control DMD has is through the infrastructure because they are providing that funding and contracted with the City. Mr. Aden said that his question of MBE/WBE participation of the home building piece is a big concern because it is the biggest piece of the project. Chair Nytes said that in Phases I, II, III, there were a variety of builders and it is hoped that many of them will be invited to return. Ms. Green said that some of the builders will be returning along with some different ones. She thinks that in the other phases, the participation with women and minorities was actually from the builders; which included one minority and four women business entities. She said that her understanding was that participation was encouraged by the companies being the types of businesses mentioned. It is assumed that the same efforts will be made, but DMD and Mansur will both communicate the concern with the builders involved. Councillor Conley added that the percentage amount from Phases I, II, & III was quite appropriate, but informed Mr. Aden that if, in the future, he knows of any builders that are not following close to MBE/WBE guidelines, to please let him know.

Chair Nytes thanked Mr. Aden for his questions and commended his study of the project. She commented that it is important that people understand what is being done in the city. Mr. Aden said that it is a great project and that he is all for it.

Mike Higby, introduced himself and explained his association with Martindale-Brightwood, LLC, which is undertaking a development called Martindale on the Monon. He said that he is glad to see Phase IV coming as it gets a little closer to the Martindale-Brightwood neighborhood. With active involvement in the Martindale-Brightwood

Community Development Corporation, and with the City of Indianapolis, he acknowledged that Fall Creek Place is a national model and is something to be proud of. He is a member of the Urban Land Institute and said that the award that the city received for Fall Creek Place is a very prestigious award. He said that it puts the city on the map, not only in the country, but also internationally. Mr. Higby said that he believes that DMD and the Council already understand the recognition of the project around the world. It demonstrates how distressed neighborhoods can be attractive again for investment and for people to live in. He said that people want to live in interesting neighborhoods, and Fall Creek Place is now an interesting neighborhood, it is no longer "Dodge City." It was a hidden asset that the City and the community took time to polish and clean up and make a safe and decent place for people of all income levels to live. He said that he would like to stress how difficult the work is, noting that he has spent about four years working with the Martindale-Brightwood Development Corporation in determining how to make a single family project work in a distressed neighborhood.

He said there is a perception of unsafe neighborhoods, properties not being maintained, and neighborhoods deteriorating but if you would walk the streets of the Matindale-Brightwood neighborhood and meet the people living there, all of this perception will begin to diminish. There are unkempt properties, but the homeowners in the neighborhood are taking care of their properties, and there really is not much crime there. In fact, there are developed neighborhoods that have a lot more crime than the Martindale-Brightwood neighborhood, and if you met the people, you would realize that you cannot have better neighbors. But the perception is driving reality. There are multiple properties that are abandoned, unsafe, not lived in, and possess absentee landlords. These issues will not be addressed without the intervention of the Council. Developers, such as Mansur, cannot get in there and take care of those issues. Investors, such as Mr. Higby, cannot take care of the issues by themselves and it really takes a partnership with the Council. He said he would like to commend the City, Mansur, and all the staff that have spent the time to go into the neighborhood, work with the residents to buy into the idea, and follow through in getting the job done. Phase IV is important as a next step. Without the Council voting yes, showing support and convincing the public that this is a worthwhile project, it will not happen on its own. He said that he is wholeheartedly in support and would like to see the project progress east, north and west.

Chair Nytes asked Mr. Cagann if he would like to make any comments on behalf of Mansur which he declined. She stated that he has already been complimented on his perseverance on the project and that the quality of his work is appreciated.

Mr. Aden asked about the project being moved to other areas. He said that in order to repay the principal and interest for the bonds, one must create enough incremental property tax increase. To do that, houses of a certain value must be built and enough of them have to be built. If houses that are \$125,000, \$200,000, or \$300,000, can be built, then a sufficient amount of additional property taxes can be generated to repay the bond. It becomes difficult if homes in that price range cannot, which may be the reason that this kind of project cannot be done everywhere. Chair Nytes thanked Mr. Aden for the

observation and said that she believes that it does raise questions about exactly what the City's role is.

Councillor Sanders moved, seconded by Councillor Conley to send Proposal No. 241, 2005 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 7-0.

Chair Nytes thanked the team for their work on the Fall Creek Place project. Councillor Conley concurred.

Deputy Mayor, Melina Kennedy, was scheduled to give a presentation on one of the current Economic Development issues; however, Gordon Hendry presented in her place. Chair Nytes introduced Mr. Hendry and said that he would be discussing the progress that is being made with the Central State Hospital project rfp.

CENTRAL STATE REUSE STUDY –Gordon Hendry, Director of Economic Development, Office of the Mayor

Mr. Hendry gave a Powerpoint presentation on the history of Central State Hospital and the progress of what is trying to be done with the property. The presentation gives the following information: [Clerks note: Presentation is attached as Exhibit C and a full printout is on file in the Council office with the original minutes of this meeting.]

- Background information on how Central State Hospital was acquired by the City and how the committee began working on the project.
- An overview of the Central State Hospital site.
- A list of the influences from the neighborhood surrounding the site.
- A 150 year timeline and historic photos from the purchase of the property.
- Aerial photos and a diagram of the buildings currently on the site.
 - Most buildings are currently vacant or underutilized. Presently, the primary user of the Central State Hospital property is the Indiana Medical History Museum, a small museum that primarily caters to Physicians; the medical community; and the life sciences community. The City would like to build upon the many interesting things that are going on in the museum.
 - The Indianapolis Police Department is operating one of its control divisions out of one of the buildings on the property.
 - There are a number of historic buildings. One is the Administration Building that was completed in the 1930's.
- Information on community involvement in Commission meetings and neighborhood meetings and workshops.
- Principles for reuse of the Central State property.
- Recommendations from the Central State Reuse Advisory Commission and a futuristic map of its idea of what the property will look like.
- Activities that have taken place since the recommendations were given in 2004.

- Will wait on the Request for Proposal (RFP) process to go forth before making any long-term commitments for any of the buildings.
- o Information and key points of the Central State RFP's.
 - All the information is not yet available to the public; more information will be available on June 6, 2005, in Room 2042 of the City-County Building.
 - Will acknowledge existing lessees; the Medical History Museum has a long term lease and is expected to be on the property for a long time. This expectation also applies to some other existing lessees.
 - The Mayor has a focus for this property to generate revenues for the City.
- o Contact information for any questions or requests for additional information. (Please look at the website address given to get more information about the property. Information can also be obtained from the Economic Development Portal listed on the city's website of www.indygov.org)

Councillor Sanders asked if Historic Preservation is involved and if there are particular buildings that have already been cited. Mr. Hendry answered affirmatively and said that he did not include this on the list of RFP key points, but is strongly recommending that the historic preservation staff of DMD be consulted. There are three historic buildings on the property that have covenants that affect their redevelopment.

Councillor Sanders asked if those would technically be mandated requirements within the RFP, as opposed to recommendations. Mr. Hendry said they are going to make sure that they are followed. Basically, those historic structures cannot be redeveloped without certain sign-offs.

Councillor Conley asked if it is possible for each Councillor to have a copy of the RFP placed in their boxes. Councillor Abdulla is concerned about availability for neighborhood and not-for-profit groups to have an opportunity to submit RFP's or have some input as to what the final development would be. He is also concerned if the cemetery area in Central State will be preserved or mandated for improvement instead of deterioration.

Mr. Hendry said that Councillor Abdulla and Councillor Pfisterer have been key participants in the project. There has also been a significant amount of neighborhood participation and consensus on what the proposals were. The RFP guidelines will detail those recommendations. With respect to the cemetery, there is an existing historic cemetery on the property that covers a very small portion on the northwest side. The plan is to be sure that it is honored.

Councillor Pfisterer said that she understands that there was an assessment done of the western half of the Central State property and is interested in knowing if the analysis has been completed. If so, she would like to know the results of the analysis. Mr. Hendry asked if it was an environmental assessment. Councillor Pfisterer said that she

understood that it was a property assessment, such as valuation of property. Mr. Hendy said that as part of the RFP process, they did have two appraisals done on the property and that information will be contained in the final RFP once finalized and made public on Monday June 6, 2005. He said that the appraisals were done for all the acreage of the property.

Councillor Pfisterer asked if the RFP is going to be primarily confined to the commercial area on Washington Street or if it will be made available for any and all portions, with exceptions of the Medial History Museum and the fire station. Mr. Hendry said that they are primarily interested in the area designated commercial under the Reuse recommendations because it is the most obvious and developable part of the property. He said that they not only favor proposals that took on the most developable property, but also parts that may be more difficult to redevelop in order to construct a realistic plan. Therefore, proposals that cover other parts of the property, in addition to the frontage, will be entertained.

Councillor Pfisterer asked if, in the RFP, there will also be a mandate to keep the mature trees that are already on the property. Mr. Hendry said that he thinks there was a discussion to bring that up in the developers meeting on June 29, 2005. He is not sure if the verbiage of tree preservation is in the RFP, but the neighborhood expressed a strong concern with that. He thinks the DMD is very focused on tree preservation as part of the overall development and they will be looking very close at that issue. Councillor Pfisterer said that it might be prudent to put that request in the verbiage of the RFP because once it is cut down, it is cut down.

Margaret Lawrence Manning, with DMD said that the RFP specifically states that special considerations need to be made for the heavily forested areas and that a map showing the location of the mature trees is included in the proposal. Councillor Pfisterer said that she does not think that it will be much of a problem because the mature trees tend to be on the southwest corner. The commercial developed area really does not have as many trees. She said, if anyone has not had a chance to visit the Indiana Medical History Museum, they should. It is a unique museum, and she does not know of any place else in the United States that has a place like it. She was working with the director of the museum trying to generate some publicity for it, and the director indicated that people from approximately 30 other countries have come to the museum because of the specimens they have that are not found elsewhere in the world.

Councillor Pfisterer said that the development can be beautiful and have such a huge impact on that side of town. She can foresee that the impact will be a positive one for economic development, and she is thrilled to be a part of it. Mr. Hendry said he thinks Councillor Pfisterer is correct and that she makes a very good point. From the beginning, the Mayor has said that the state of Indiana really is not experiencing this kind of local community development. They felt that if DMD could bring it over to the city of Indianapolis, they could really move the ball forward. The city has owned the property for a little over a year and is already being put out on the street for positive economic development on the near west side. He thinks that it will be a good benefit for those on

the near west side, but is also hoping that it can be visited and appreciated by all citizens of Indianapolis. He said that they are enormously excited about the development; it is a great opportunity for developers because it is a significant amount of acreage near downtown. The west Washington Street corridor has been an interest of the focus group for development and redevelopment of a strong commercial passage from the western edge of the Central State property to the Indianapolis Zoo, upgrading the area and making it something to be appreciated.

Chair Nytes thanked Mr. Hendry and expressed her excitement about the project. She said she looks forward to the decision about the RFP's sometime later this summer. She stated that the next committee meeting will be June 29, 2005. Two other topics that will be scheduled for the committee are the FOCUS group activities and the Herron property initiative. She said that the FOCUS group Mr. Hendry mentioned is the group that is working on redeveloping commercial activity in some of the areas in the city where commercial has pretty much evaporated. She believes that they are interested in providing the committee with an update on their progress. There is also a current RFP on the reuse of the Herron property that will represent a very significant economic development initiative. She said that a lot of what the committee has been talking about recently has been focused within the old city limits, and she knows that it is not the only place that there are concerns for economic development.

CONCLUSION

With no further business, and upon motion duly made, the Economic Development Committee of the City-County Council was adjourned at 6:30 p.m.

Respectfully Submitted,

Jackie Nytes, Chair

JN/nsm